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ABSTRACT

This paper is designed to acquaint the outdoor professional with the risk management decision making process required for the operation and management of outdoor adventure activities. The document examines the programming implications of fear in adventure activities; the risk management process in adventure programming; a definition of an acceptable risk; the difficulty in making risk decisions; and the decision making evaluation process. In conclusion, the paper calls for the need for acceptable risk decisions to be integrated directly into curriculum design. (Author/JD)

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# INTEGRATION OF RISK MANAGEMENT TECHNIQUES INTO OUTDOOR ADVENTURE PROGRAM DESIGN

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## ABSTRACT

This paper is designed to acquaint the outdoor professional with the risk management decision making process required for the operation and management of outdoor adventure activities. The author examines the programming implications of fear in adventure activities; the risk management process in adventure programming; a definition of an acceptable risk; the difficulty in making risk decisions; and the decision making evaluation process. In conclusion, the paper calls for the need for acceptable risk decisions to be integrated directly into curriculum design.

This paper was presented to the National Conference on Outdoor Recreation at the University of California at Davis in November, 1986. It subsequently was published in the Conference Proceedings.

# INTEGRATION OF RISK MANAGEMENT TECHNIQUES INTO OUTDOOR ADVENTURE PROGRAM DESIGN

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The concept of risk management evolved in the early 1960's from the insurance industry's attempt to reduce losses. It represented the insurance industry's continuous effort to be aware of operational uncertainties and to reduce the possible financial loss potential. The theoretical design of risk management policies was to expect the unexpected. However, if an unplanned event did occur, the negative effect upon current operations would be held to a minimum.

What started as an attempt by the insurance industry to reduce its potential losses has grown into a new service industry entitled risk management, a field that has grown enormously within the past decade. The economic effects of litigation and liability, coping with legal and regulatory demands, and successfully communicating the risk management responsibility to management requires tremendous expertise.

Despite this evolutionary process, the concept of risk management should not be confused with insurance management. It has evolved into a much broader concept. Insurance management limits itself to treating risk in a manner that can be financially measured. If there is no way of computing damages or a method of gauging the potential risk, then the insurance industry discontinues writing that type of policy. It has evolved into a fear of the unknown determining policy.

Recent effects of the insurance underwriters on adventure programming is staggering. Premiums are increasing in astronomical proportions and availability of coverage is limited, or non existent, forcing major changes in adventure programs.

In contrast, risk management requires the analysis and consideration of all aspects of uncertainty, not just potential financial loss. The concept also refers to the possibility of exposure of person(s) to injury, danger, or loss of life; and the probability of harm to equipment and physical resources which may increase the possible risk exposure of participants in the activity.

Summarizing this definition in the eyes of many outdoor programmers can easily be accomplished with a single four letter word... **FEAR!** A currently acceptable method of risk management within the field of outdoor recreation.

## WHAT ARE THE PROGRAMMING IMPLICATIONS OF THIS FEAR?

The impact of the application of "fear" for risk management in outdoor adventure programming appears in several different ways:

1. Decreasing Amounts of Program Offerings: The fear of a risk problem has developed into a shrinkage of activities being offered. Rather than attempt to manage the risk, many outdoor programmers have instead chosen to eliminate their potential liability.

2. Weakened Activities: Rather than encounter the potential danger of a wilderness challenge, i.e. a rapid that created enthusiasm and excitement, due to fear, it has now become a portage.

3. Response to Legislation: Recent decisions in other aspects of recreation have been carried over into outdoor adventure programming. Decisions involving waivers, releases, and construction specifications have influenced change, not always without a negative influence.

4. Response to the "Liability Lawsuit Boom": The 1980's has seen American society develop into a litigous culture. Statistics reveal that in 1984, one new libel suit was filed for every fifteen United States citizens; the number of product liability suits handled in courts increased from 1,579 in 1975 to 10, 745 in 1984; and the annual number of multi-million dollar verdicts rose from one award to a plaintiff in 1961 to 251 in 1982 and 401 in 1984. (Harrison, 1986). It represents a dramatic increase in demands placed upon American society and service industries. A recent study reported by the Journal of Commerce (1986) indicates that the effects of increased litigation are felt most severely in organizations with people services; organizations associated with risk. A point supported by Time magazine (March 24, 1986) which detailed how the effects of increased litigation and its byproducts have caused the closing of small businesses, recreational, and health care facilities.

5. Ignorance: The adage that "ignorance is no excuse " has merit when dealing with the fear management in outdoor adventure programming. Often the adventure professional operates under the premise that activities worked well twenty years ago, but like everything else programming has paralleled the growth of the outdoor recreation profession.

The backlash of this failure to manage risks has forced limitations on the growth of the outdoor adventure field. Instead of responding and challenging these outside influences, we've reacted without seriously considering the effects these actions have on the future of outdoor recreation. It is caused by a misunderstanding of the risk management process and its methods of application.

## A LOOK AT THE RISK MANAGEMENT PROCESS IN ADVENTURE PROGRAMMING:

For the outdoor adventure practioner dealing with such activities as mountaineering, whitewater boating, backpacking, wilderness camping, rock climbing, and other adventure activities, the problems associated with managing the inherent risks have increased dramatically. It has become a dilemna in how to eliminate unreasonable risks to participants without reducing levels of excitement, challenge, and stress; essential components of the adventure experience (Meier, 1984). This leads to the question of; what is an acceptable risk in a field with increasing participants? The key to the risk management dilemma lies in determining just what is an acceptable degree of risk.

WHAT IS AN ACCEPTABLE RISK?

Acceptable risks are decision problems; they require a choice among alternative methods of action. What separates an acceptable risk problem from the other decision problems is that a minimum of one alternative includes the possibility of injury or loss to the participant.

There are five steps in analyzing a decision problem:

1. Identification of the objectives by which to measure the desireable outcome.
2. Defining the possible options: this step does not dismiss the possibility of doing nothing at all.
3. Identifying the possible consequences of each option and the likelihood of their occurance if that option is chosen.
4. Specifying the desirability of the various outcomes.
5. Analyzing the options developed and selecting the one most appropriate.

At the completion of the the above analysis, the method has prescribed the option that should be selected... **THE MOST ACCEPTABLE OPTION**. The result of the process can produce options chosen that could have a high degree of risk involved or conversely almost none. The attractiveness of the option depends upon the complete review of the possible positive and negative consequences, not a haphazard or partially conducted review

process. It is an optimum strategy which produces clarity and brings structure to the management process.

By applying the strategy outlined in the decision making process presented above, the dilemna of solving the most acceptable risk problems have been categorized and simplified. This is a plateau professionals are constantly striving to attain. However, just when it appears as if a solution has been identified, the process of second guessing begins. The question arises which asks if the right set of options have been chosen? This is a common occurance in identifying risk strategies. The element of hindsight always reveals perfection through our perceived uncertainties. However, one need not feel this way if the decision making process was adequately designed and is defensible.

Deciding which of these options is most attractive is situation specific; that is that there are no universally acceptable options. The choice depends on the nature of the activity, consequences, goals, values, and facts. Situations vary according to individuals groups, lifestyles, geographical location, and a variety of other variables. Our search for universal guidelines in outdoor risk management is totally misguided. The measurement of acceptable risks are decision problems that need to be catered to the specifics of each program.

## WHY IS IT SO HARD TO MAKE THESE DECISIONS?

Decision making is a dilemna faced by everyone in our day-to-day living

environments. Acceptable risk problems have a tendency to magnify this process due to the potential consequences involved.

Eight different generic roadblocks have been identified which face an individual in the acceptable risk decision making process:

1. The Uncertainty of How to Define the Problem: What is the nature of the question being confronted?
2. The Difficulties in Assessing the Facts Involved: What actually did occur?
3. The Aspect of Human and Administrative Uncertainty: Second guessing the decision making process.
4. Difficulties in Determining the Relevant Values: What are the affective goals which should be enhanced?
5. The Difficulties Involved in Evaluating the Decision: A question of determing the appropriate methodolgy to be utilized to scrutinize your decisions.
6. Legal Concerns: Legislative mandates and guidelines which affect our decisions.
7. Safety Responsibilities: The duty of care owed to the participants as well as employees.
8. Insurance Mandates: Restrictions placed upon decisions based upon insurance underwriters guidelines.

These roadblocks make the acceptable risk problems more complex. However, ignoring them will not make them disappear. They are the

facts-of-life facing the decision maker(s). They are potential problems that must be dealt with to successfully manage risks.

DECISION MAKING EVALUATION PROCESS:

What do you do after you've made your decisions? The ambiguity involved in the decision making process and the roadblocks confronting the outdoor programmer limit the effectiveness of any prescribed or standardized evaluative methods. With any acceptable risk decisions, there are seven key areas which should be examined in the evaluation process:

1. Comprehensiveness: Is the decision thorough and well thought-out?
2. Logically Sound: A measure of judgement. An essential component to any adventure program.
3. Practical: Is it able to be implemented?
4. Political Acceptability: Does it fit within the social and organizational climate?
5. Philisophical Constraints: Does the decision fall within the organization's mission?
6. Learning Condusive: Will the participants be enhanced by their participation?
7. Accountability Measure: Has the decision been examined in light of professional responsibilities?

APPROACHES TO ACCEPTABLE RISK DECISIONS AND PROGRAM DESIGN:

There a variety of ways to make acceptable risk decisions. Often they are poorly developed, lack foresight, and reflect the "evils" haunting programmers through the previously mentioned roadblocks. What results in the illusion that risk management has "taken over", limiting the pursuit of outdoor adventure activities. This is a fallacy. It is just a lack of systematic design with the application of acceptable risks within the curriculum and planning process. Practioners in the field of adventure programming have a tendency to elevate the role of risk management above the traditional programming methods. But in actuality, it is one in the same. The decisions reached through acceptable risk problem analysis need to be brought directly into the curriculum design and not restricted to administrative analysis. A linkage between the administrative aspect and program design is mandatory. By implementing our acceptable risk decisions within the program design, we are strengthening the acceptance of risk, as well as continuing to professionalize the field of outdoor adventure recreation.

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